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on Friday, 28 June 1996, at 10 a.m.

President: Mr. GERVAIS (Côte d'Ivoire)

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The meeting was called to order at 10.30 a.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION

(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL (E/1996/72 and Corr.1)

Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development), introducing the report by the Secretariat contained in document E/1996/72, which focused on the strengthening of collaboration in programme delivery at the country level said that, in his view, collaboration at the field level would be greatly enhanced by closer collaboration earlier in the policy development process.

During the preparations for the recent series of global conferences, links with the Bretton Woods institutions had been strengthened. Full interaction between the United Nations and Bretton Woods institutions in the implementation of the decisions reached at those various conferences would further strengthen those links.

Mr. SPETH (United Nations Special Coordinator for Economic and Social Development) said that, at a time of new trends in development cooperation, it was appropriate to consider what the Council could do to help lead the efforts of the entire United Nations family, including the Bretton Woods institutions, in the economic and social fields. Progress had been achieved in the key areas of follow-up to the recent global conferences, strengthening of the resident coordinator system, the campaign to eradicate poverty and the response to countries in special circumstances, subjects which were also pertinent to the relationship with the Bretton Woods institutions. He detailed some of the many examples of collaboration between the United Nations system and the Bretton Woods institutions. Complementary to those efforts, a Working Group had been established on strengthening collaboration, which had identified several areas for improvement, including countries in special circumstances, exchange of information and data in key areas for policy analysis, exchange of information

on planned research and policy studies on key development issues, country-level cooperation and policy coordination and reporting to intergovernmental bodies.

Among significant developments in the follow-up to the United Nations global conferences, the Administrative Committee on Coordination (ACC) had approved and launched the United Nations System Conference Action Plan (UNSCAP).

Despite all efforts, poverty was growing faster than population; one and a half billion people lived in poverty in United Nations programme countries. Under the Secretary-General's leadership, the United Nations had concluded that the attack on poverty should have five principal thrusts, coming directly from the continuum of United Nations conferences. For the first time, the entire United Nations system, including the Bretton Woods institutions, was organized around those five thrusts: basic social services for all, employment and sustainable livelihoods for all, sustaining the natural resource base, advancement and empowerment of women, and the overarching enabling environment. In all five areas, United Nations inter-agency task forces and the Committee were working to support country themes. At the country level, resident coordinators were organizing around those themes in support of country priorities and programmes. In an era of cries for United Nations reform, that constituted a major step.

The United Nations system was strongly committed to strengthening the resident coordinator system and was taking steps to implement the relevant provisions of General Assembly resolution 50/120 in a coordinated manner. The management process developed by the Secretary-General after consultations within the system was described in document E/1996/64. The process included specific actions, targets, benchmarks, time-frames and principal actors for the full implementation of the resolution. A strong resident coordinator system would help bring the United Nations system together at the country level in a more integrated, harmonious and unified way, based on the concept of goal-oriented collaboration among agencies in support of country-defined priorities and programmes.

On the subject of poverty eradication, the International Year for the Eradication of Poverty and the first United Nations Decade on the Eradication of Poverty (1997-2006) had been launched to increase public awareness that eradicating poverty was a reachable goal and was fundamental to reinforcing peace and achieving sustainable development. A good deal of progress had

already been achieved in implementing the expanded cooperation in the social development field called for in the Programme of Action of the World Summit for Social Development. In addition, UNDP had launched a poverty strategies initiative to assist in country-level implementation of commitments adopted at the Summit. Poverty eradication had been identified as the highest priority of United Nations system cooperation at the country level, according to the great majority of resident coordinators. The Council was responsible for overseeing the implementation of the Summit outcome, and in order to fulfil that responsibility, it must strengthen its authority, structures, resources and processes. A closer working relationship would thus be possible between the specialized agencies and the Council, which would enable it to measure performance and review progress made. The material and natural resources and the know-how to make a poverty-free world a reality already existed; he therefore called on members to launch a crusade against mass poverty.

With regard to countries in special circumstances, the Secretary-General had asked ACC to examine the support required by countries in special situations, where the system was called upon to undertake functions which extended beyond the scope of the standing arrangements for coordination with humanitarian and operational activities, for he believed there was a need to strengthen the overall capacity of the system for early warning and for exchanging information when a complex emergency situation appeared imminent. For example, in Liberia and Sierra Leone, United Nations agencies and the World Bank were actively engaged in helping those countries to develop their reconstruction and rehabilitation programmes in response to conditions of national crisis.

There was no better example of how those five dimensions of change intersected than the work under way to implement the Special Initiative on Africa. The World Bank had been a key partner in its development and would be closely involved in the resource-mobilization strategy. The coordination mechanism included the ACC Steering Committee, coordination at the field level through the resident coordinators and 12 thematic inter-agency groups. That was not enough to ensure success, however. The Special Initiative on Africa must continue to rely on the support of the entire United Nations family through the resident coordinator system, as well as the political and financial mobilization from the donor countries and from recipient countries. The mid-term review of

the New Agenda for the Development of Africa in the 1990s would be particularly important in ensuring that the resources of the system fully supported the objectives of the initiative.

Mr. BROWN (World Bank) said that the process of development was being revolutionized by two major trends: the decline in official development assistance (ODA) and the dramatic increase in private capital flows; whereas ODA at $58.8 billion in 1995 was at its lowest point since 1970, as a percentage of GDP among the countries of the Group of Seven, private investment had nearly quadrupled since 1990 and had now reached approximately $170 billion. In East Asia and parts of Latin America, it was private capital that was fostering development and creating wealth. Within that context it was necessary to determine how best to use the multilateral system.

Even in those countries receiving a high level of private capital, however, official assistance was still needed to develop health and education systems and social safety nets, to build capacity for environmental enforcement and to reduce poverty. Moreover, over 80 per cent of private capital flows went to fewer than 12 countries. Almost half of the countries surveyed for the Global Economic Prospects report were less integrated than a decade earlier in terms of trade with the outside world. Lower integration meant lower potential for growth. It must be remembered that the absolute number of people living in poverty - currently 1.3 billion - was growing, not shrinking.

In the new global environment, multilateral institutions could best play the role of catalyst. Cooperation, with the partners in the United Nations system was already taking place productively on five levels. To begin with, there was a new intellectual convergence between the World Bank, the United Nations and others in the development area as to what constituted sound development policy: structural adjustment was dead. However, policy reform, that was to say a sound macroeconomic environment, an open trading system, a limited but efficient Government and a supportive environment for domestic and foreign investment, was alive and well. There was strong support for that intellectual consensus from Governments and societies, and many non-governmental organizations as well.

As part of the convergence the Bank and others now explicitly recognized that a country's overall development strategy must also emphasize investment in human development, targeting the poorest and most disadvantaged, and ensuring

social safety nets and environmental safeguards. They also recognized that change could not be imposed from outside but must come at a pace a country could manage. As a reflection of that change in philosophy, the World Bank was currently the largest single source of external finance for social services or human capital development.

That intellectual convergence gave new intensity to cooperation at the country level. A good deal of progress had been made during the previous year in rationalizing and deepening the important partnerships between the World Bank, United Nations agencies, non-governmental organizations and the private sector. At the same time it was up to each country to decide how projects and policies should be implemented.

At the sectoral level, the Bank's cooperation with the United Nations extended to such crucial global issues as the Global Environment Facility (GEF), work in post-conflict countries, and the Special Initiative on Africa, which encompassed an unprecedented commitment by the Bank and the United Nations to coordinate their activities at the country and sectoral levels.

With regard to ODA, concerted efforts must be made to win over public opinion in the donor countries and to put an end to the decline in ODA. The efforts of the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees (UNHCR) in that regard had been rewarded by public support and donor funding. A similarly compelling case should be made for development as a whole.

At the institutional level, frequent consultations also took place on topics of mutual concern. The World Bank actively participated in the work of the Administrative Committee on Coordination and he himself was Chairman of one of the three task forces established by that body to coordinate the inter-agency response to the recent global conferences.

Mr. FERRÁN (International Monetary Fund (IMF)) said that a core aspect of the Fund's activities was its surveillance of the economic policies of member States and their effects on the world economy. Such surveillance was particularly important in view of the rapid globalization of the world economy.

The globalization process had caused world trade to expand in recent years at a rate greater than that of global output and vast amounts of investment capital were currently available through international capital markets. Consequently, the world economy offered new opportunities for countries to

expand output, increase employment, accelerate growth, and raise living standards. At the same time, however, it posed certain challenges both to the Fund and to orderly global economic development. To meet those challenges, the Fund had recently intensified its efforts in three areas.

First, it was strengthening surveillance, by ensuring that the monitoring of the economic and financial policies of member countries was more continuous, comprehensive and transparent, and was improving its ability to identify and address emerging problems. It was also encouraging members to provide the Fund with at least a minimum set of core economic and financial data, especially in the period between consultations.

Second, since circumstances requiring special action might still arise, it had clarified procedures so that it could respond rapidly to crises and emergency situations. It had also adapted its policies on assistance in cases of natural disaster to include "post-conflict" situations, in which timely assistance from the Fund could contribute to the reconstruction of economies emerging from war and internal strife.

Third, since the Fund's ability to fulfil its mandate ultimately depended on its having a strong resource base, it proposed to substantially increase the quota base and to double the resources available under the General Arrangements to Borrow. It was strengthening its concessional facility to ensure continued support to its poorest members and was seeking ways of financing a continuation of the Enhanced Structural Adjustment Facility which, ultimately, would become self-sustaining.

With respect to the role of IMF in the follow-up to the recent global conferences, there was growing collaboration between the Fund and the agencies of the United Nations system. The Fund's main contribution would be to help establish the macroeconomic framework needed to underpin the implementation of the social and sectoral programmes launched by other institutions. Wherever possible, it had also sought to incorporate the major recommendations of the global conferences into its policy dialogue with each member country.

In the social field, the Fund was focusing on measures to protect the most vulnerable segments of society. It had encouraged Governments to protect funding for basic social and infrastructural services and, as a follow-up to the World Summit for Social Development, it was paying increasing attention to the efficiency of public expenditure, including basic social spending, as well as to

the search for more efficient labour market policies and cost-effective social protection instruments.

In keeping with the recommendations of the Fourth World Conference on Women, the Fund had paid attention to the need for protecting public expenditures on primary health care and education, population planning and legal rights for all, and particularly the need to improve access to those services by women.

With regard to the United Nations Conference on Environment and Development, the Fund in its dialogue with member countries recommended measures to strengthen economic growth in a manner which promoted sustainable and environmentally friendly development, even though it had limited in-house expertise in environmental problems. Its staff, moreover, routinely consulted with colleagues in the World Bank and other specialized United Nations agencies, including UNDP.

The Fund regularly provided information to the United Nations by releasing its country economic reports and by contributing to the reports prepared by the United Nations Secretariat. Its Managing Director had regular exchanges with the Secretary-General of the United Nations and engaged in regular formal dialogues with the Economic and Social Council in pursuit of matters of common interest. With regard to the Special Initiative on Africa, for example, the Fund shared the concern about the risks of marginalization facing Africa and was seeking to strengthen the institutional capacity of the countries of that region to implement macroeconomic policies and structural reforms.

The Fund collaborated with UNDP within the framework of an agreement between the two institutions under which IMF provided technical assistance to member countries which was financed from UNDP resources. Projects focused on building transparent and accountable institutions for economic and financial management and the experience so far had been entirely satisfactory.

A number of steps had recently been taken to strengthen cooperation between the Fund and the International Labour Organization (ILO), including measures aimed at helping IMF staff to acquire a better understanding of labour markets and social protection issues and ILO staff to integrate into their policy advice at the country level the views of the Fund on macroeconomic policies and targets for the country concerned. Contact between the two staffs was also being

strengthened in many countries through joint seminars on labour market and social protection mechanisms.

The Fund was close to finalizing a cooperation agreement with the World Trade Organization (WTO) aimed at strengthening the collaboration that had existed between IMF and the General Agreement on Tariffs and Trade (GATT). The agreement would provide for the exchange of information and documents, attendance at meetings, and consultations at the staff and institutional levels aimed at achieving greater coherence in global policy-making.

Mr. ACUÑA (Costa Rica), speaking on behalf of the Group of 77 and China, said that whereas the challenges confronting the international community were multiplying both in number and complexity, the global resources being devoted to them were diminishing. A central task of the Council was therefore to secure the requisite resources to sustain international cooperation for development. One of the most cost-effective means of carrying out that task was to strengthen collaboration between the United Nations system and the Bretton Woods institutions. Such cooperation, however, should be appropriately structured and should stem from a shared and systematic assessment of country needs, as defined by the recipient countries themselves. In that connection, the Group looked forward to the early implementation of section VIII of General Assembly resolution 50/227 and, in particular, to the joint review by the United Nations and the Bretton Woods institutions to assess mechanisms, programmes and relationships at the field, headquarters and intergovernmental levels with a view to identifying areas in which communication, cooperation and coordination could be improved.

As for the areas of collaboration between the United Nations system and the Bretton Woods institutions, emphasis should be placed on eradicating poverty, stimulating and sustaining economic growth in the developing countries, achieving sustainable development, capacity-building and designing of people-centred structural adjustment programmes. The United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO) should both play active roles in stimulating and sustaining economic growth. The two groups should also jointly explore alternative models of structural adjustment, particularly models which incorporated the social dimension into the adjustment process.

Policy dialogues among all partners in the development process were another useful way of identifying key development issues, defining alternative policy options and facilitating a common approach to development challenges at the country level. Similarly, closer concurrence between the policy framework papers of the World Bank and IMF and the country strategy note of the United Nations system would be helpful and would be greatly aided by effective coordination at the field level under the guidance of the national government. However, the Group reiterated its opposition to the efforts of some countries to add to the resident coordinator's responsibilities certain tasks which went beyond the development mandate.

Finally, the United Nations system and the Bretton Woods institutions should expand their co-financing of field programmes and projects, and continue to explore innovative ways of combining their resources. Increased collaboration between the two groups should not lead, however, to the marginalization of the United Nations in global economic policy and decision-making. It should instead be an intrinsic part of the reform process, a principal purpose of which was to restore development to the forefront of the international agenda and to strengthen the role of the United Nations in international cooperation for development. Under no circumstances, moreover, should such collaboration lead to new conditionalities or render the operational activities of the United Nations system subject to the same restrictive policies normally accorded to loans.

Mr. GIORGIANNI (Observer for Italy), speaking on behalf of the European Union and also Bulgaria, Cyprus, the Czech Republic, Estonia, Lithuania, Malta, Romania, Slovenia and Slovakia, said that, at a time when important changes were taking place in economic and social development policies, it was particularly important for the Council to provide vision and leadership with respect to the collaboration between the United Nations system and the Bretton Woods institutions. Collaboration at the country level was especially crucial for the effective implementation of development strategies and, in that connection, more consultations should take place with development partners in order to encourage effective cooperation based on the respective strengths of each institution in responding to the national plans and priorities of the developing countries, while avoiding overlapping and duplication and utilizing common services as far as possible.

Each group of organizations had distinctive capabilities and a specific role to play in fostering greater coherence between the different elements of economic and social development, particularly at the country level. There was also a clear need for the priority allocation of scarce grant resources to programmes and projects in low-income countries, especially the least developed among them. Indeed, current international development thinking, as defined in the recent global conferences, provided a solid framework for improved cooperation and priority setting and the conference recommendations should therefore be implemented at the field level as early as possible.

The European Union agreed that the United Nations and the Bretton Woods institutions should participate more actively in joint policy dialogues with host countries; that there was a need to jointly identify the level of intervention required at all levels to combat poverty; that a common effort was needed to restore the political, financial, social and economic infrastructure of regions affected by conflict; that there should be increased cooperation in post-conflict situations; and that emphasis should be placed on capacity-building and human development.

The aim of coordination between the Bretton Woods institutions and the United Nations system was to strengthen the capacity of Governments to improve the efficiency, effectiveness and impact of the operational activities of the United Nations system. Coordination measures should enhance the link between the country strategy notes of the United Nations and the policy framework papers of the Bretton Woods institutions, improve cooperation between UNDP and the World Bank in the preparation, discussion and follow-up of round-table meetings and consultative groups, combine efforts to support the development process, support the building of national capacities for programme development and implementation, and take full account of the exchange of experiences and lessons learned.

The European Union welcomed the Special Initiative on Africa as an example of how coordination could be improved at the field level. Much remained to be done at the country level where collaboration between the United Nations and the Bretton Woods institutions had the potential to combat poverty and ensure that sustainable human development remained high on the agenda. It was important to ensure greater complementarity in the area of poverty reduction which, it was recognized, was one of the principal development policy priorities.

The new dimension of collaboration between the United Nations and the Bretton Woods institutions should go beyond consultations and formal mechanisms to embrace a united effort by national governments and the international community.

Mr. POSAYANOND (Thailand) said that globalization of the economy and continuing democratization in many parts of the world had given rise to the need for an in-depth and strategic collaboration between the United Nations system and the Bretton Woods institutions. His delegation strongly believed that regardless of each organization's mandate and priorities, their common primary obligations were to channel resources for development to countries in need, to help maintain international financial stability and to forge frameworks for international cooperation for sustainable development.

Cooperation should be in the form of partnerships for development in which the interests of the developing countries, in particular the least developed countries, were given due consideration. Emphasis should be placed on studying the impact of the Uruguay Round of multilateral trade negotiations on developing countries and considering new issues which might be raised at the forthcoming WTO ministerial conference with a view to integrating the least developed countries into the world economy.

UNDP, the World Bank, IMF and recipient Governments should closely coordinate their efforts in the production of country strategy notes and policy framework papers. Such an effort would create more coherence in development cooperation, and would also reduce duplication of work between the United Nations and the Bretton Woods institutions. At the policy level, his delegation also urged the United Nations and the Bretton Woods institutions to conduct a joint assessment review of their relationship and explore possible ways of enhancing integrated communication, cooperation and coordination.

Mr. GORELIK (Russian Federation) said that his delegation attached great importance to deepening and improving cooperation between the United Nations development system and the Bretton Woods institutions. Such cooperation was a vital ingredient in reforming United Nations activities in the economic, social and related fields. In that connection his delegation wished to receive additional information about the outcome of the recent consultations between the President of the World Bank and the heads of seven United Nations agencies on the prospects for future cooperation.

His Government noted with satisfaction that task groups had been established in the wake of various international forums on an interdisciplinary thematic basis. The creation of inter-agency machinery to deal with, inter alia, the problems of HIV/AIDS, education, water supply and sanitation was also a welcome development. Coordination of country strategies and operational programmes, joint participation in field missions for the evaluation of country needs and round-table and consultative meetings were further evidence of useful cooperation.

Much had been done by the United Nations and the Bretton Woods institutions in the field of macroeconomic analysis and various types of thematic research on socio-economic issues. Unfortunately there had been occasional instances of duplication and cases in which contradictory approaches and statistics had been used. Greater coordination would help avoid such inconsistencies.

Useful projects undertaken by United Nations agencies in conjunction with the Bretton Woods institutions should be copied more widely, especially where operational activities were concerned. It was especially important that such cooperation should take account of the specific features and needs of individual countries, factoring in their own plans and strategies.

Mr. LEWIS (United Nations Children's Fund) said that cooperation between UNICEF and the World Bank spanned a wide range of activities. Recent key cooperative undertakings included the 20/20 Initiative, follow-up to the World Conference on Education for All, involvement in the joint United Nations Programme on HIV/AIDS, participation in three of the inter-agency task forces established by the Administrative Committee on Coordination, and the signing of four memorandums of understanding for collaboration on education and health in sub-Saharan Africa. Government contributions to World Bank funds to UNICEF had already been used to support specific activities within country programmes.

Cooperation between UNICEF and the World Bank as part of the Special Initiative on Africa deserved special note, since the Africa initiative was an opportunity to show how the United Nations and the Bretton Woods institutions could work together most effectively; many of the areas eligible for World Bank support lay at the core of UNICEF's mandate in fields such as basic health, primary education, water and sanitation.

UNICEF noted with satisfaction the World Bank's Agenda for Early Childhood Development which had resulted in $745 million being made available for

investment in the social sector by the end of 1994. The Fund had also been delighted to learn that the Bank was contemplating the possibility of further investment in programmes for children.

UNICEF welcomed the debt relief initiatives that had been put in place by the World Bank in order to relieve the economic strangulation afflicting so many countries, but pointed out that poverty continued to increase and take its toll on vulnerable children.

Mr. WLOSOWICZ (Poland) said that the international community faced the challenge of providing an appropriate institutional framework aimed at promoting human-centred, equitable and socially as well as environmentally sustainable development. Cooperation between the United Nations system and the Bretton Woods institutions lay at the heart of the United Nations response to that challenge. Any discussion on strengthening such cooperation should be based on existing experience. Existing mechanisms and opportunities should be utilized to the full. In that respect his delegation wished to underscore the importance of existing cooperation in capacity-building and human resources development, decentralized governance and community-based development, management and coordination of development assistance, rehabilitation and reconstruction of countries emerging from conflict, and poverty monitoring.

His Government noted with satisfaction that the priorities approved by major United Nations conferences had appeared on the agendas of the Bretton Woods institutions. It was vital that existing means of cooperation should be supplemented by regular meetings on specific themes, sharing of information, research and policy analysis, initiation of high-level policy, and dialogue on key issues between the United Nations system and the Bretton Woods institutions.

External assistance could only supplement, not replace, the efforts of individual countries. The success of development activities depended on implementing economic reform programmes, strengthening the banking sector, reforming social insurance systems, establishing new legal frameworks that allowed for the enforcement of contracts and other features of market economies, and better targeting social safety nets to protect the most vulnerable segments of society.

Ms. BURTON (Ireland) said that it seemed paradoxical that, at a time when development cooperation budgets were being reduced in many countries and when there was much talk of a crisis of multilateralism, there was also a

growing international consensus on new ways forward in development cooperation. In recent years some had spoken of a "migration of tasks" from United Nations agencies to the international financial institutions, partly because the World Bank and IMF had played such a visible role in shaping macroeconomic policies in poorer countries. Her Government was concerned that the Bretton Woods institutions had in some cases initiated and implemented projects that fell within the competence of other United Nations agencies without adequate consultations or proper engagement.

Her delegation welcomed the closer relationship that had developed between the United Nations system and the Bretton Woods institutions, but said that much remained to be done. United Nations development agencies had unrivalled experience in the fields of poverty reduction, human development and sustainability. The Bretton Woods institutions should draw on that experience in both programming and operational terms. Structural adjustment policies were an area where greater cooperation and coordination could be applied. She noted that in many countries the United Nations development system was "informed" but not "involved in" the preparation, coordination and implementation of structural adjustment programmes, which revealed an inherent confusion in the operational relationship of the multilateral institutions. While everyone accepted that different institutions had different mandates, such a lack of coherence and coordination gave multilateralism a bad name. Building international confidence in the value of multilateralism in the development sphere required several urgent steps such as increased partnership between institutions; increased coordination and monitoring of activities, particularly at country level; and increased collaboration between the international financial institutions and United Nations agencies in establishing a full coherence of approach between separate but complementary roles.

Some of the specific suggestions for fostering greater cooperation and coordination with the Bretton Woods institutions that had been made by the executive heads of United Nations agencies should be carefully considered. Such suggestions included establishing formal working arrangements through memorandums of understanding; mutual representation at meetings and consultation on proposals and programmes; and participation by United Nations agencies in the identification and appraisal of bank loans in their respective fields of competence. One obvious area of collaboration between United Nations agencies

and the Bretton Woods institutions was the preparation of their respective country strategy notes and policy framework papers.

While some developing countries feared that enhanced cooperation might restrict operational activities within the United Nations system, her delegation was confident that such concerns could be allayed by implementation of practical and meaningful cooperation that respected respective competences and mandates. In addition, the resident coordinator system at country level should be made more systematic and structured.

Despite differences in mandates, governance and methods of financing, United Nations development agencies and the Bretton Woods institutions were operating within the same framework of agreed goals outlined in the declarations and programmes of action adopted at United Nations conferences. However, there was clearly some way to go in order to establish more effective and pragmatic relationships.

Ms. KIMBLE (United States of America) said that her delegation supported continuing cooperation between United Nations bodies and the Bretton Woods institutions, commending in particular the new principle of intellectual convergence guiding their work. In pursuing sustainable development, agencies should focus on country-led strategies, designed on the basis of need and the comparative advantage of relevant agencies.

Enhanced cooperation in the field, the active involvement of the World Bank in projects and programmes arising from major United Nations conferences, the evolving relationship between UNDP and IMF, and the latter's recognition of the important concept of sustainable human development offered evidence of a new level of responsiveness by the Bretton Woods institutions to the elaboration of development strategies through intellectual convergence and collaboration. That work could be further enhanced if at future sessions the Council considered the reports of the World Bank on the results of those initiatives.

In examining such initiatives, attention should be paid to the workings of the Council itself. An earlier session on dialogue with the Bretton Woods institutions had been disappointing and unproductive, with too much time spent on prepared speeches and too little on contributions from those institutions. The way in which items were scheduled, the apparent failure of the Secretariat to help institutions focus their presentations in advance and, above all, the tight time constraints had precluded all but a fleeting reference to the main

theme of the high-level segment on the part of the institutions. That, coupled with the unexplained absence of the World Trade Organization (WTO), suggested a need to reinvigorate the session through better planning, more direction from the Secretariat on issues to be discussed and greater prior input on thematic issues from the Member States.

In order to further enhance the work of the Council, she suggested that the Council should adopt at the current session a resolution welcoming the prospect of receiving information from the Secretary-General in early 1997, pursuant to resolution 50/227 (1996), concerning a special high-level meeting to be held at the time of the semi-annual meetings of the Bretton Woods institutions.

Mr. SPETH (Special Coordinator for Economic and Social Development) said that he appreciated the concern in some quarters that the United Nations could be marginalized as a development agent and forum for discussion on international policy matters. The United Nations should be mindful of that danger and not seek to add conditionalities to its development programmes and projects.

In that regard, he welcomed the proposals of the Group of 77 and the European Union concerning enhanced development cooperation, and their support for development initiatives.

There were two possible options for improving country-level coordination between the United Nations and the Bretton Woods institutions. Either the funds and programmes could be placed in more tightly defined categories, eliminating overlap in the missions and mandates of those bodies. Or, given the shortage of funds for that task, institutions could recognize that some overlap was inevitable and seek to deal with it through better cooperation, integration of work and use of the resident coordinator system.

It was vital that the complex of agencies at country level should ease the burden on developing countries by simplifying and integrating their development processes. At the same time, the political support and cooperation of Governments was needed to avoid funding of country programmes that worked to the detriment of the comparative advantage principle.

As cooperation between policy makers and analysts improved, it was important that the Council too should give consideration to its own contributions and seek to achieve results based on constructive, clear and focused dialogue.

Mr. BROWN (World Bank) said that the real stumbling block to achieving broader support from the donor community was the absence of political will. Problems such as severe indebtedness could not be resolved by banks alone; they required a comprehensive response from all parties involved. The very basis of the initiative for Africa, for example, had been put in jeopardy as a result of decisions taken in the United States Congress. Public awareness, support and information were needed, if the requisite political support for development were to be garnered.

Concerns that the World Bank was interfering in United Nations development programmes reflected less the intentions of that body than the crisis in development spending. Since the Bank derived its main income from a large group of borrowers, it had been better able than other agencies to sustain the decline in development assistance.

In order to maintain a clear dialogue with its borrowers the World Bank did not involve other agencies in co-authorship of conditionality and related policies. However, it had recognized that the process of economic transition could not be left to market forces alone and that social costs must be foreseen and met. Moreover, in the conditions laid down in debt relief plans, the Bank made a number of provisions to ensure that recipients protected and enhanced social lending.

Mr. FERRAN (International Monetary Fund) said that IMF had invited United Nations representatives to attend some of its most important policy-making meetings, with a view to improving both coordination and the response of policy makers to evolving development situations. It hoped to build on that arrangement in the future.

The meeting rose at 1.10 p.m.